

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	<u>May 20, 2010</u>
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	<u>2009-411-G</u>
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	<u></u>

SUBJECT:

DOCKET NO 2009-411-G - Application of Piedmont Natural Gas Company, Incorporated for Approval of Energy Efficiency Programs - Discuss this Matter with the Commission.

COMMISSION ACTION:

Piedmont Natural Gas Company (PNG) submitted an Application for Energy Efficiency Programs on October 1, 2009. A settlement agreement was reached with the Office of Regulatory Staff, the only other party in this Docket, on January 27, 2010, and the Commission conducted a hearing on this matter on February 11, 2010.

Piedmont has proposed implementing three Energy Efficiency Programs in South Carolina: (1) a Residential Low-Income Program; (2) a High Efficiency Equipment Rebate Program; and (3) a Customer Education Program.

Piedmont's proposed Residential Low-Income Program, modeled after the United States Department of Energy's Federal Weatherization program, is designed to provide energy efficiency measures and weatherization assistance to low income residential customers in PNG's service territory.

Piedmont's proposed High Efficiency Equipment Rebate program will provide rebates for the purchase of qualifying high efficiency natural gas appliances, including high efficiency space and water heating equipment. Relative efficiency levels for the equipment will correlate to "Energy Star" appliances.

And, Piedmont's proposed Customer Education Program is focused on a marketing campaign designed to educate consumers on energy efficiency and conservation and also to advise customers on other programs available to assist in achieving more efficient use of energy.

A third party will be contracted to measure and evaluate the effectiveness of the Residential Low-Income Program and Equipment Rebate Program. The Customer Education Program will not be directly measured, but PNG will survey its target audience under the program to obtain anecdotal indications of effectiveness. It is Piedmont's goal that these programs be cost-effective and prompt customers to take actions that will influence how efficiently they use natural gas.

To pay for these programs, Piedmont requests authorization to expend and recover from its customers an annual cost of \$350,000. ORS estimates the overall rate impact of this amount to the average residential customer's annual bill would be an addition of less than \$2.00 or 0.2%. These costs are proposed to be included in PNG's cost of service and

recovered, on a delayed basis, through PNG's annual Rate Stabilization Act filing process.

ORS recommends that the Commission approve PNG's proposed energy efficiency programs and cost-recovery mechanism on a three (3) year experimental basis, and that the Commission require PNG to file annual reports with the Commission and ORS based on the results for the twelve months period ending March 31 by June 15 each year to coincide with its Rate Stabilization Act filing, with the first report due in 2011.

I find that, consistent with Statute 58-37-20, it is important that we adopt procedures that encourage cost-effective energy efficient technologies and energy conservation programs. Therefore, I move that we approve Piedmont's Application with the recommendations of ORS.

PRESIDING: Fleming

SESSION: Regular

TIME: 2:30 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)

RECORDED BY: J. Schmieding

